



Australian Government

**Private Health Insurance
Administration Council**

Circular

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14 August 2008

REVIEW OF THE SOLVENCY AND CAPITAL ADEQUACY STANDARDS

This circular initiates the second stage of the review of the Solvency and Capital Adequacy Standards (Capital Standards).

The paper issued with this circular details PHIAC's Preliminary View on the Capital Standards and serves to initiate further consultation. This paper follows from the issues outlined in PHIAC's publication *Review of the Solvency and Capital Adequacy Standards – Invitation for Comment* issued on 21 August 2007 and from subsequent industry comments.

The paper is being circulated for comment from private health insurers, appointed actuaries and other interested parties. It is available on PHIAC's website at www.phiac.gov.au/circulars/2008/0820/standardsphase2aug.pdf.

Whilst PHIAC is open to comments and suggestions on the issues discussed, a preferred position has been provided as a foundation for discussion in each section.

Consultation with industry will be facilitated by:

- inviting stakeholders to contact PHIAC directly
- the establishment of a Standards Reference Group which will convene following the close of comments
- PHIAC communicating directly with each insurer on the specific effects of the changes during the latter stages of the review.

Comments should be addressed to:

Capital Standards Review
Private Health Insurance Administration Council
Suite 16, 71 Leichhardt St
KINGSTON ACT 2604

Or by email: phiac@phiac.gov.au marked 'Capital Standards Review'.

The due date for comments is **Friday 26th September 2008**.

Submissions to PHIAC will be treated as public unless clearly marked as confidential. Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982*.

Contact Officer:

Paul Groenewegen (02) 6215 7966 • email: paul.groenewegen@phiac.gov.au

• Suite 16 • 71 Leichhardt St Kingston • ACT • 2604 •

Internet: <http://www.phiac.gov.au>